(d) Every year, the Comptroller and Auditor General of India conducts Audit of the assessments completed by the ncome Tax Department on a selective basis. Objections raised by the Audit are remedied in accordance with provisions of the Income Tax Act and reported to the C&AG. Some of these cases are selected by the C&AG and are presented as Paras, in the Audit report, placed before the Parliament. The Objections are case specific and remedial action if any, is dependent on the facts and circumstances of each specific case. Therefore, a general observation categorizing and circumscribing the various individual cases cannot be made.

(e) Instruction No. 9 of 2006 issued w.e.f. 01.12.2006 prescribes the procedure for calling explanations of the Assessing Officers. Vigilance proceedings are initiated against errant officers wherever acts of omission or commission done in bad faith or acts done with malafide intention are noticed. Central Board of Direct Taxes (CBDT) has, so far, not received any proposal from its field authorities for initiation of action on account of wanton omission or commission or any malafide approach in bad faith on the part of any official.

(f) The CBDT has introduced the New Internal Audit System from 01.06.2007 by Instruction No. 3 of 2007 which prescribes procedure for auditing as well as settlement of audit objections and is aimed at avoiding mistakes on the part of Assessing Officers.

Excise duty exemption on manufacture of drugs

1917. SHRI UDAY PRATAP SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government has given excise duty exemption for manufacture of drugs in certain States; and

(b) if so, the details of exemptions, the period and name of the States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Excise duty exemption is available for units located in States of Uttarakhand and Himachal Pradesh, States in North Eastern Region (Assam, Tripura, Meghalaya, Mizoram, Manipur, Nagaland, Arunachal Pradesh and Sikkim), Jammu and Kashmir and in Kutch district of Gujarat. However, exemption is available not only for manufacture of drugs, but also for other specified items.

(b) Summary of details is placed in the Statement.

Statement

Summary of excise duty exemption for certain states

Area	Date of Issue of exemption notification	Modalities of exemption	Units availing exemption: start date	Period of validity
1	2	3	4	5
North East Region	08.07.1999*	Refund mechanism for new and expanded units	Units set up or expanded after 24.12.1997 can avail the exemption	Sun-set date is 31.3.2007

1	2	3	4	5
State of Sikkim	25.6.2003 09.09.2003*	Refund mechanism for new and expanded units	Units set up or expanded after 24.12.1997 can avail the exemption	Sun-set date is 31.3.2007
Kutchh District of Gujarat	31.07.2001	Refund mechanism for new units only	Units set up on or after 31.7.2001	Last date for setting up of new units is 31.12.2005
Sate of Jammu & Kashmir	14.11.2002	Refund mechanism new and expanded units	Units set up or expanded after 14.6.2002 can avail the exemption	No time limit
State of Uttarakhand	10.06.2003	Out right exemption new and expanded units	Units set up or expanded after 07.01.2003 can avail the exemption	Sun set date is 31.3.2010
State of Himachal Pradesh	10.06.2003	Out right exemption new and expanded units	Units set up or expanded after 07.01.2003 can avail the exemption	Sun set date is 31.3.2010

*With the announcement of the North East Industrial and Investment Promotion Policy, 2007 (NEIIPP, 2007), another excise duty exemption scheme has been notified for the North East Region (including Sikkim). Units set up/expanded on or after 1.4.2007 can avail this new exemption. This scheme is valid for a period of ten years, from 2007 to 2017 and this too operates as a refund scheme.

NOTE:

1. The exemptions are available for a period of ten years from the date of start of commercial production except in case of Kutchh where the exemption is for a period of five years.
2. Except is case of Kutchh, exemption is also valid for existing units, which undertake substantial expansion by increasing their installed capacity by 25% or more. In case of J&K exemption would also be available to existing units, which make new investment resulting in additional employment of 25% or more, over the base employment (maximum number of regular employees employed at any point of time over last five years).

Charges for Using Credit Card

1918. SHRI B.S. GNANADESIKAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that private banks, in particular, are collecting huge sum of money by force from their customers who have credit card facility under various charges like late pay fee, surcharge, premium charge, tax, interest on purchase, etc.; and

(b) if so, what are the steps taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) As per Master Circular on Credit Card operations dated 2nd July, 2007 issued by Reserve bank of India (RBI), credit card dues are in the nature of non-priority sector personal loans and as such banks are free to determine the rate of interest on credit card dues without reference to their Benchmark Prime Lending Rate (BPLR). However, RBI has advised the banks that the annualized percentage rate (APR), the method of calculation of APR, late payment charges including the method of calculation, the manner in which the outstanding unpaid amount is to be included for calculation of interest, etc. on credit card dues should be indicated by card issuing banks in the 'Welcome